

AMENDED IN ASSEMBLY MAY 5, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 876**

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**Introduced by Assembly Member Harkey**

February 26, 2009

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An act to add Sections 18154 and 24996 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 876, as amended, Harkey. Income and corporation taxes: capital gains: exclusion.

The Personal Income Tax Law and the Corporation Tax Law provide that gain or loss upon the disposition of a capital asset is determined by reference to the adjusted basis of that asset.

This bill would, for taxable years beginning on or after January 1, 2009, provide that gross income does not include any gain from the sale or exchange of a capital asset, as defined, that is purchased during the 2009 *or* 2010 calendar year, and is held for more than one year. *Net capital losses would not be allowed for any capital asset purchased during the 2009 or 2010 calendar year.*

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 18154 is added to the Revenue and  
2     Taxation Code, to read:

3     18154. For each taxable year beginning on or after January 1,  
4     2009, gross income shall not include any gain from the sale or  
5     exchange of a capital asset, as defined by Section 1221 of the  
6     Internal Revenue Code, that is purchased during the 2009 *or* 2010  
7     calendar year, and is held for more than one year. *Net capital losses*  
8     *shall not be allowed with respect to any capital asset that is*  
9     *purchased during the 2009 or 2010 calendar year.*

10    SEC. 2. Section 24996 is added to the Revenue and Taxation  
11    Code, to read:

12    24996. For each taxable year beginning on or after January 1,  
13    2009, gross income shall not include any gain from the sale or  
14    exchange of a capital asset, as defined by Section 1221 of the  
15    Internal Revenue Code, that is purchased during the 2009 *or* 2010  
16    calendar year, and is held for more than one year. *Net capital losses*  
17    *shall not be allowed with respect to any capital asset that is*  
18    *purchased during the 2009 or 2010 calendar year.*

19    SEC. 3. This act provides for a tax levy within the meaning of  
20    Article IV of the Constitution and shall go into immediate effect.